

SALDANHA BAY MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended
30 June 2006

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 45, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 19 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



F.W. Daniels
(Acting) Municipal Manager

31 Augustus 2006

Date

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SALDANHA BAY MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2006

	Note	2008 R	2005 R
NET ASSETS AND LIABILITIES			
Net assets		270,058,590	234,185,880
Housing Development Fund	1	42,001,232	38,452,420
Capital replacement reserve		63,650,945	45,937,131
Capitalisation reserve		35,889,272	45,030,095
Government grant reserve		35,831,718	20,809,140
Donations and public contribution reserves		1,545,554	1,604,688
Self-insurance reserve		2,364,193	2,503,501
COD reserve		-	-
Revaluation reserve		-	-
Accumulated Surplus/(Deficit)		66,795,676	61,646,905
Non-current liabilities		81,414,720	69,651,441
Long-term liabilities	2	75,914,720	69,651,441
Non-current provisions	3	5,500,000	-
Current liabilities		69,448,153	43,423,683
Consumer deposits	4	6,952,738	5,915,448
Provisions	5.1	8,451,168	3,435,163
Creditors	5	26,445,721	15,184,653
Unrepaid conditional grants and receipts	6	14,319,349	11,535,808
VAT	7	4,373,463	1,269,762
Short-term loans		-	-
Bank overdraft	14	-	-
Current portion of long-term liabilities	2	6,903,696	6,082,851
Total Net Assets and Liabilities		420,919,463	347,261,004
ASSETS			
Non-current assets		195,643,609	151,636,019
Property, plant and equipment	10	164,918,383	140,217,261
Investment property		-	-
Investments		-	-
Long-term receivables	6	10,727,226	11,620,756
Current assets		225,275,654	195,422,965
Inventory	9	2,372,870	2,293,237
Consumer debtors	11	19,290,426	46,222,229
Unpaid conditional grants	12	15,674,093	11,366,756
VAT	7	-	7,392,153
Current portion of long-term receivables	6	630,123	786,975
Call investment deposits	13	165,000,000	90,000,000
Bank balances and cash	14	22,308,342	37,361,633
Total Assets		420,919,463	347,261,004

SALDANHA BAY MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 R	2005 R
REVENUE			
Property rates	15	58,544,816	50,830,588
Property rates - penalties imposed and collection charges		1,375,380	1,230,754
Service charges	16	157,373,561	141,920,101
Regional Services Levies - turnover		-	-
Regional Services Levies - remuneration		-	-
Rental of facilities and equipment		8,752,572	8,515,677
Interest earned - external investments		12,154,919	8,272,567
Interest earned - outstanding debtors		1,882,408	2,951,555
Dividends received		-	-
Fines		2,803,540	2,282,893
Licences and permits		1,095,598	1,126,672
Income for agency services		132,268	2,339,976
Government grants and subsidies	17	16,047,430	30,872,072
Other Income	32	43,542,927	16,543,292
Public contributions and donations		-	-
Gains on disposal of property, plant and equipment		-	1,520,600
Total Revenue		303,705,419	268,306,849
EXPENDITURE			
Employee related costs	16	74,886,949	69,910,260
Remuneration of Councillors	19	2,486,306	2,334,661
Bad debts		-	6,411,000
Collection costs		-	-
Depreciation		13,923,372	19,894,611
Repairs and maintenance		11,658,701	10,617,522
Interest paid	20	9,473,473	10,090,406
Bulk purchases	21	67,923,352	54,862,129
Contracted services		-	-
Grants and subsidies paid	22	5,362,068	3,914,120
General expenses		33,559,253	26,808,594
Loss on disposal of property, plant and equipment		-	-
Total Expenditure		219,073,475	204,643,522
SURPLUS/(DEFICIT) FOR THE YEAR		84,631,944	63,663,327
Share of surplus/(deficit) of associate accounted for under the equity method		-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		84,631,944	63,663,327
Refer to Appendix E(1) for the comparison with the approved budget.			

BALDANHA BAY MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Pre-GAMAP Reserves and Funds	Housing Development Fund	Capital Development Reserve	Capitalisation Reserve	Securities Grant Reserve	Donations and Public Contributions Reserve	S&L Insurance Reserve	GRD Reserve	Residential Reserve	Reserve Rehabilitation of Localities Area	Provision for Retirement Benefits	Provision for Staff Loans	Provision for Annual Bonuses	Provision for Long Service Benefits	Provision for Performance Bonuses	Accumulated Surplus (Deficit)	Total
	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R
2008																	
Balance at 1 July 2004	175,815,357	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,622,814	180,438,171
Correction of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Implementation of GAMAP (Note 22)	(175,815,367)	33,944,201	45,837,131	48,804,881	112,867,436	25,442,682	2,395,237	-	-	-	-	-	-	-	-	(122,482,819)	(79,821,215)
Offsetting of Sinking Depreciation	-	-	-	(4,827,835)	(108,083,490)	(21,318,787)	-	-	-	-	-	-	-	-	-	-	-
Reclassification of public contributions (Note 22.5.2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance	-	33,944,201	45,837,131	43,977,046	4,498,877	3,142,814	2,326,837	-	-	-	-	-	-	-	-	36,487,133	179,822,853
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,808,527	88,808,527
Transfer of Provision for Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(25,218,388)	-
Transfer to CRR	-	-	25,218,388	-	-	-	-	-	-	-	-	-	-	-	-	25,218,388	-
Property, plant and equipment purchased	-	-	(25,218,388)	-	-	-	-	-	-	-	-	-	-	-	-	(20,800,696)	-
Capital grants used to purchase PPE	-	-	-	-	20,141,308	59,134	-	-	-	-	-	-	-	-	-	-	-
Donated/contributed PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(181,440)	-
Contribution for the year	-	-	-	-	-	-	181,440	-	-	-	-	-	-	-	-	8,178	-
Insurance claims processed	-	-	-	-	-	-	(8,178)	-	-	-	-	-	-	-	-	(2,808,218)	-
Transfer to Housing Development Fund	-	2,538,218	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,880,688	-
Offsetting of depreciation	-	-	-	(247,284)	(5,738,842)	(587,360)	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2008	-	36,482,428	45,837,131	45,530,098	23,888,148	1,804,888	2,903,891	-	-	-	-	-	-	-	-	81,848,888	214,185,888
2006																	
Correction of error	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance	-	36,482,428	45,837,131	45,530,098	23,888,148	1,804,888	2,903,891	-	-	-	-	-	-	-	-	81,848,888	214,185,888
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84,431,388	84,431,388
Transfer of Provision for Bad Debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,287,188)	-
Transfer to CRR	-	-	88,287,188	-	-	-	-	-	-	-	-	-	-	-	-	88,287,188	-
Property, plant and equipment purchased	-	-	(88,287,188)	-	(328,771)	-	-	-	-	-	-	-	-	-	-	(83,888,111)	-
Capital grants used to purchase PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(80,000,000)	-
Contribution to provision for reclamation of reef	-	-	-	-	-	-	-	-	-	800,000	-	-	-	-	-	(6,000,000)	-
Contribution to provision for Post Retirement Be	-	-	-	-	-	-	-	-	-	5,000,000	-	-	-	-	-	(2,180,000)	-
Contribution to provision for Annual Bonus	-	-	-	-	-	-	-	-	-	-	-	-	2,180,000	-	-	(400,000)	-
Contribution to provision for Long Service Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	480,000	-	(288,887)	-
Contribution to provision for Performance Bonus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	388,887	(388,740,000)	-
Contribution to provision for bad debt	-	-	-	-	-	-	-	-	-	-	88,740,000	-	-	-	-	(432,727)	-
Contribution to provision for Staff leave	-	-	-	-	-	-	-	-	-	-	-	482,727	-	-	-	(17,088,770)	-
Donated/contributed PPE	-	-	-	-	18,221,882	837,887	-	-	-	-	-	-	-	-	-	148,373	-
Transfer to CR	-	-	-	(148,873)	-	-	-	-	-	-	-	-	-	-	-	138,308	-
Contribution to Insurance Reserve	-	-	-	-	-	-	(138,308)	-	-	-	-	-	-	-	-	-	-
Insurance claims processed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,548,812)	-
Transfer to Housing Development Fund	-	5,548,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,785,057	-
Offsetting of depreciation	-	-	-	(8,014,480)	(873,538)	(887,001)	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2006	-	42,001,222	83,830,948	24,888,273	36,831,718.18	1,446,843.37	2,364,183	-	-	808,888	6,808,888	38,740,000	432,727	2,180,000	888,888	224,817	88,748,878

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SALDANHA BAY MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Notes	2006 R	2005 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		-	-
Cash paid to suppliers and employees		-	-
Cash generated from/(utilised in) operations	23	104,872,812	83,743,203
Interest received		12,154,919	8,272,587
Interest paid		(8,473,473)	(10,080,406)
NET CASH FROM OPERATING ACTIVITIES		107,554,257	81,925,384
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(58,835,867)	(45,418,028)
Proceeds on disposal of property, plant and equipment		213,373	1,520,600
Increase in investment properties		-	-
(Increase)/decrease in non-current receivables		883,532	1,569,428
Increase in non-current investments		-	-
(Increase)/Decrease in call investment deposits		(75,000,000)	(20,000,000)
NET CASH FROM INVESTING ACTIVITIES		(132,728,982)	(62,328,003)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		9,084,128	(2,443,722)
Increase in consumer deposits		1,037,286	745,560
Decrease/(Increase) in short-term loans		-	-
NET CASH FROM FINANCING ACTIVITIES		10,121,414	(1,688,162)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15,053,291)	17,899,218
Cash and cash equivalents at the beginning of the year		37,361,633	18,463,415
Cash and cash equivalents at the end of the year		22,308,342	37,361,633
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(15,053,291)	17,899,218

SALDANHA BAY MUNICIPALITY

ACCOUNTING POLICY FOR THE YEAR ENDED 30 JUNE 2006

1. BASIS OF PRESENTATION

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

- * General Notice 991 of 2005, issued in Government Gazette no. 28095 of 15 December 2005; and
- * General Notice 992 of 2005, issued in Government Gazette no. 28095 of 7 December 2005;

The Standards comprise the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The effects of Changes in Foreign Exchange rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements are prepared on the going concern basis.

4. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of Section 15(5) and 16 of the Housing Act, (Act 107 of 1997), which came into operation on 1 April 1998, requires that the municipality maintain a separate housing operating account. Loans from National and Provincial Government used to finance housing developments undertaken by the Municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund.

The Housing Act also requires in terms of Section 14(4)(d)(ii)(aa) read with, *inter alia*, Section 16(2) that the net proceeds of any rental, sale of property or alienation, financed previously from government housing funds, be paid into a separate operating account and

be utilised by the Municipality for housing development subject to the approval of the Provincial MEC responsible for housing.

The following provisions are set for the creation and utilisation of the Housing Fund:

- The proceeds in this fund are utilised for housing developments in accordance with the National Housing Policy and also for housing development projects approved by the MEC.
- Any contributions to or from the fund are shown as transfers in the Statement of Changes in Net Assets.
- Interest earned on the investments backing up this fund is recorded as part of interest earned in the Statement of Financial Performance and is then transferred via the Statement of Changes in Net Assets to the Housing Development Fund.
- Any surplus on the Housing Statement of Financial Performance must be transferred to the Housing Development Fund.

5. RESERVES

5.1 Capital Replacement Reserve (CRR)

In order to finance the future provision of infrastructure and other items of property, plant and equipment from internal sources amounts are transferred out of the accumulated surplus/(deficit) into the Capital Replacement Reserve (CRR) in terms of a Council resolution. The cash in the designated CRR account can only be utilised to finance items of property, plant and equipment. The following provisions are set for the creation and utilisation of the CRR:

- The cash which backs up the CRR is invested until it is utilised. The cash may only be invested in accordance with the investment policy of the municipality.
- Interest earned on the CRR investment is recorded as part of total interest earned in the Statement of Financial Performance. The total interest earned on all the CRR investments of the municipality is transferred to the CRR.
- The CRR may only be utilised for the purpose of purchasing items of property, plant and equipment for the municipality and may not be used for the maintenance of these items.
- The CRR is reduced and the accumulated surplus/(deficit) credited with corresponding amounts when the funds are utilised.
- If a gain or loss is made on the sale of assets the gain or loss on the sale of assets is reflected in the Statement of Financial Performance. The full proceeds on the sale of all PPE is transferred to the CRR.
- The amounts transferred to the CRR are based on the Municipality's need to finance future capital projects.
- The contribution to the CRR by the relevant votes will be based on the previous year's cost price of the fixed assets controlled by that votes. The Council has three strategic votes as defined by the Municipal Finance Management Act, 2003 (Act 56 of 2003).
- The Council determines annually to contribute between 8% and 12% of the previous year's own income to the CRR.
- The current year's contribution may only be utilised for financing of capital expenditure in the following year.

5.2 Capitalisation Reserve

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus/(deficit) in terms of a directive (budget circular) issued by National Treasury.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/(deficit).

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/(deficit).

5.3 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/(deficit) to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Government Grants.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

5.4 Public Contributions and Donations Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Public Contributions and Donations Reserve equal to the Public Contributions and Donations Reserve recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions and Donations Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from Public Contributions and Donations.

When an item of property, plant and equipment financed from Public Contributions is disposed, the balance in the Public Contributions and Donations Reserve relating to such item is transferred to the accumulated surplus/(deficit).

5.5 Self Insurance Reserve

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account replacement value of the insured assets.

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute between 0.1% and 0.5% of the previous year's own income to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the statement of financial performance.
- Repair and replacement costs not fully covered by external insurance are financed from the Insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of financial performance. An amount equal to the expense is transferred from the Insurance Reserve to the Unappropriated Surplus via the Statement of changes in net assets.
- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Unappropriated Surplus account via the Statement of Changes in Net Assets.

5.6 Revaluation Reserve

The surplus arising from the revaluation of land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on current values, are credited or charged to the Statement of Financial Performance.

6. PROPERTY, PLANT AND EQUIPMENT (PPE)

6.1 PPE is stated:

- At cost less accumulated depreciation, or
- At fair value at date of acquisition less accumulated depreciation where assets have been acquired by grant or donation.

6.2 Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is

expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

- 6.3 The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.
- 6.4 The Municipality has adopted a capitalisation threshold whereby all expenditure below the threshold is expensed when incurred. The threshold is currently R10 000 per item of PPE. Where the value of bulk purchases of PPE with values of less than R 10 000 per item exceeds R 30 000, these items are recognised as PPE in the Statement of Financial Position.

6.5 Depreciation and Impairment losses

- 6.5.1 Depreciation is calculated on cost, using the straight line method, over the estimated useful lives of the assets. The depreciation rates are based on the following estimated useful lives:

	<u>Years</u>		<u>Years</u>
<u>Infrastructure</u>		<u>Other</u>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<u>Community</u>		Specialised plant and equipment	10-15
Improvements	30	Other plant and equipment	2-5
Recreational Facilities	20-30	Landfill sites	15
Security	5		
<u>Investment Properties</u>	30		

- 6.5.2 Heritage assets, which are defined as culturally significant resources are not depreciated as they are regarded as having an infinite life. Land is also not depreciated for the same reason.
- 6.5.3 Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.
- 6.5.4 The carrying amount of an item or a group of identical items of PPE is reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount. When such a decline has occurred, the carrying amount is reduced to the recoverable amount. The amount of the reduction is recognised as an expense immediately, unless it reverses a previous revaluation, in which case it is charged to the revaluation non-distributable reserve.

6.6 Disposal and retirement of assets

- Assets are written off on disposal or retirement.
- The difference between the net book value of assets (cost less accumulated depreciation) and the sales proceeds is reflected as a gain or loss in the Statement of Financial Performance.

7. REVALUATION OF LAND AND BUILDINGS

Land and buildings are stated at re-valued amounts, as contained in the official valuation roll, being regarded as the fair value at the date of revaluation less subsequent accumulated depreciation in respect of buildings.

8. INTANGIBLE ASSETS

Intangible assets are treated in accordance with the provisions of International Accounting Standard (IAS) 38. In accordance with these provisions intangible assets are initially recorded at their cost price and are subsequently amortised over their expected useful lives. An intangible asset is defined as an identifiable non – monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. The intangible assets under the control of the Municipality are amortised according to the straight line method.

9. INVESTMENTS

9.1 Financial Instruments

Financial Instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are stated at cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

9.2 Investment in Associate

An associate is an entity over which the Municipality is in a position to exercise significant influence, through participation in the financial and operating policy decisions of the investee.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. The carrying value of the investment in associates is adjusted for the municipality's share of operating surpluses/(deficits) less any dividends received.

Where the Municipality or its Municipal Entities transact with an associate, unrealised gains and losses are eliminated to the extent of the Municipality's or its Municipal Entities' interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred.

Where the Municipality is no longer able to exercise significant influence over the associate the equity method of accounting is discontinued.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

9.3 Investment in Municipal Entities

Investments in municipal entities under the ownership control of the Municipality are carried at cost. Separate consolidated financial statements are prepared to account for the Municipality's share of net assets and post-acquisition results of these investments.

9.4 Interests in Joint Ventures

A joint venture is a contractual arrangement whereby the Municipality and other parties undertake an economic activity that is subject to joint control. Interests in joint ventures are stated at cost.

Jointly Controlled Operations

The Municipality recognises the assets that it controls, the liabilities and expenses that it incurs as well as its share in the revenue that it earned from the sale or provision of goods or services by the joint venture.

Jointly Controlled Assets

The Municipality's share of the jointly controlled assets and liabilities is recognised in the statement of financial position and is classified according to their nature. Revenue from the sale or use of the Municipality's share of the output of the jointly controlled assets, and its share of the expenses incurred is recognised in the statement of financial performance.

Jointly Controlled Entities

Interests in jointly controlled entities are stated at cost.

10. INVENTORIES

Consumable stores, raw materials, work in progress and finished goods are valued at the lower of cost, determined on the weighted average cost basis, and net realisable value.

Cost of inventories comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventories to its present location and condition.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values. Consumables are written down with regard to their age, condition and utility.

11. ACCOUNTS RECEIVABLE

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. The provision for bad debts is based on all debtors older than 90 days.

Bad debts are written off during the year in which they are identified.

12. TRADE CREDITORS

Trade creditors are stated at their nominal value.

13. UNUTILISED CONDITIONAL GRANTS

Unutilised conditional grants are reflected on the Statement of Financial Position as a creditor – Unutilised conditional grants. They represent unspent government grants, subsidies and contributions from the public. This creditor always has to be backed by cash. The following provisions are set for the creation and utilisation of this creditor:

- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the fundar it is recorded as part of the creditor. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.
- Whenever an asset is purchased out of the unutilised conditional grant an amount equal to the cost price of the asset purchased is transferred from the Unutilised Conditional Grant into the statement of financial performance as revenue. Thereafter an equal amount is transferred on the Statement of changes in net assets to a Government Grant Reserve. This reserve is equal to the remaining depreciable value (book value) of assets purchased out of the Unutilised Conditional Grants. The Government Grant Reserve is used to offset depreciation charged on assets purchased out of the Unutilised Conditional Grants.

14. VALUE ADDED TAX

The Council accounts for Value Added Tax on the cash basis.

15. REVENUE RECOGNITION

Revenue is derived from a variety of sources which include Rates levied, grants from other tiers of government and revenue from trading activities and other municipal services provided.

Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably.

15.1 Revenue from Exchange Transactions

Service charges relating to Electricity and Water are based on consumption. Meters are read and billed on a monthly basis and revenue is recognized when billed. Estimates of consumption are made monthly when meter readings have not been performed. The

estimates of consumption are recognized as revenue when billed. Adjustments to estimates of consumption are made in the billing period when meters have been read. These adjustments are recognized as revenue in the billing period.

Sewerage charges are levied and billed on an annual basis based on the municipality's Tariff Policy.

Refuse charges are levied and billed on a monthly basis based on the municipality's Tariff Policy.

Various services are provided on a prepayment basis in which case no formal billing takes place and revenue is accrued when received.

Income in respect of housing rental and instalments are accrued monthly in advance.

Interest earned on investments is recognized in the Statement of Financial Performance on a time proportionate basis that takes into account the effective yield on the investment. Interest earned on the following investments is not recognized in the Statement of Financial Performance:

- Interest earned on unutilised conditional grants is allocated directly to the unutilised conditional grant creditor, if the grant conditions indicate that interest is payable to the funder.

Revenue from the sale of goods is recognized when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income for agency services is recognized on a monthly basis once the income collected on behalf of agents has been quantified. The income recognized is in terms of the agency agreement.

Revenue from public contributions is recognized when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognized (Creditors: Unutilized Grants)

15.2 Revenue from non-exchange transactions

Revenue from rates is recognized, net of rebates granted, when the legal entitlement to this revenue arises. A Differential Rating system is applied. In terms of this system assessment rates are levied on the land and improvements value of property and rebates are granted subject to certain conditions. A composite rating system charging different rate tariffs for different categories of ratepayers is employed.

Collection charges are recognized when such amounts are legally enforceable.

Interest on outstanding debtors is recognized on a time proportionate basis and is charged on all outstanding debtors older than 30 days or part thereof.

Fines constitute both apot fines and summonses. Revenue from apot fines is recognized when payment is received, and the revenue from the issuing of summonses is only recognized when collected by the Courts and paid over to the Municipality. Due to the various legal processes that can apply to summonses and the inadequate information received from the Courts, it is not possible to measure this revenue when the summons is issued.

Donations are recognized on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use.

Contributed property, plant and equipment is recognized when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorized, irregular, fruitless and wasteful expenditure is based on legalised procedure, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognized when the recovery thereof from the responsible councillors or officials is virtually certain.

16. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognized as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized.

17. PROVISIONS

A provision is recognized when the municipality has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

18.1 Employee Benefits

18.1.1 Pension / Retirement Fund

The Council and its employees contribute to various Pension and Retirement Funds and its councillors contribute to the Pension Fund for Municipal Councillors. These funds provide retirement benefits to such employees and councillors.

The retirement benefits are calculated in accordance with the rules of the funds. Full actuarial valuations are performed on a regular basis.

Current contributions are charged against the operating account of the Council at a percentage of the pensionable remuneration paid to employees or councillors.

A provision is made for the best estimate of the current cost of gratuities payable to employees that were not previously members of a pension fund.

18.1.2 Medical Aid: Continued Members

Council provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the municipality. According to the rules of the medical aid funds, with which Council is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the member is liable for 30% or 40% of the medical aid membership fee, and Council for the remaining 70% or 60%.

18.1.3 Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

18.1.4 Provision for Bonuses, Performance Bonuses and Long Service Bonuses

The Municipality makes provision for bonuses payable where at year end minimum bonus amounts owing to officials are contractually payable in the next financial year.

18.2 Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

19. LEASES

LESSEE ACCOUNTING

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset as described in paragraph 6 are transferred to the Municipality.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the lease term or any other basis which is representative of the time pattern of the lessee's benefit.

Assets subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the assets is depreciated at appropriate rates on the straight line basis over the estimated useful lives of the assets. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

The Municipality will not incur a foreign currency lease liability other than that allowed by the MFMA.

LESSOR ACCOUNTING

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return to the Municipality's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

20. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the rate of exchange ruling on the date of the transaction. Trade creditors denominated in foreign currency are reported at the Statement of Financial Position date by using the exchange rate at that date. Exchange differences arising on the settlement of creditors or on reporting of creditors at rates different from those at which they were initially recorded during the period are recognised as revenue or as expenses in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used. The Municipality will not incur a foreign currency liability other than that allowed by the MFMA.

21. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of less than one year and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

22. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

23. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

24. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

25. ROUNDING

The amounts reflected in the financial statements of the Municipality are all in Rand, and all amounts are rounded off to the nearest Rand.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	42,001,232	36,452,420
Unappropriated Surplus	42,001,232	36,452,420
Loans extinguished by Government on 1 April 1998	-	-
The Housing Development Fund is represented by the following assets and liabilities		
Property, plant and equipment (see note 9)	-	-
Housing selling scheme loans	-	-
Other Debtors	-	-
Unauthorised use of cash for other purposes	-	-
Bank and cash	-	-
Sub-total	-	-
Creditors	42,001,232	36,452,420
Total Housing Development Fund Assets and Liabilities	42,001,232	36,452,420
2 LONG-TERM LIABILITIES		
Local Registered Stock Loans	-	-
Annuity Loans	84,818,418	72,574,697
Capitalised Lease Liability	-	-
Government Loans : Other	-	3,159,585
Sub-total	84,818,418	75,734,282
Less : Current portion transferred to current liabilities	(8,903,698)	(6,082,851)
Local Registered Stock Loans	-	-
Annuity Loans	-8,903,698	-5,583,888
Capitalised Lease Liability	-	-
Government Loans : Other	-	(498,961)
Total External Loans	75,914,720	69,651,441
3 NON-CURRENT PROVISIONS		
Provision for reclamation of refuse landfill site	500,000	-
Provision for Post Retirement Benefits	5,000,000	-
	-	-
Total Non-Current Provisions	5,500,000	-

Provision for post retirement benefits and reclamation of refuse landfill sites were not provided for the 2004/05 year, but provision for long-service was provided for the 2005/06 year.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

3 NON-CURRENT PROVISIONS

The movement in the non-current provisions are reconciled as follows: -

30 June 2006

	<u>Landfill</u>	<u>Post retirement Benefits</u>
Balance at beginning of year	-	-
Contributions to provision	500,000	5,000,000
Expenditure Incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	-	-
Balance at end of year	500,000	5,000,000

30 June 2005

Balance at beginning of year	-	-
Contributions to provision	-	-
Expenditure Incurred	-	-
Increase in provision due to discounting	-	-
Transfer to current provisions	-	-
Balance at end of year	-	-

2006

R

2005

R

4 CONSUMER DEPOSITS

Electricity	3,834,185	3,055,442
Water	3,118,551	2,880,006
Interest	-	-
Total Consumer Deposits	6,952,736	5,915,448

Guarantees held in lieu of Electricity and Water Deposits

567,111	1,031,576
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2006

R

2005

R

5 CREDITORS

Trade creditors	24,737,055	12,711,641
Unallocated Creditors	2,183,620	1,473,008
Control Account	1,380,585	892,123
Deposits: Other	144,461	107,880
Other creditors	-	-
Total Creditors	28,445,721	15,184,663

5.1 PROVISIONS

Staff leave	3,565,214	3,435,163
Annual Bonus	2,150,000	-
Performance bonus	285,887	-
Long service Bonus	450,065	-
	5,451,188	3,435,163

Note: Staff leave was classified as a reserve in the previous financial year and is now reclassified as a provision. The provisions for Annual-, Performance- and Long Service Bonus, are new provisions in terms of GRAP.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
6 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
6.1 Conditional Grants from other spheres of Government	12,955,612	10,223,231
Conditional Government Grants	12,955,612	10,223,231
	-	-
6.2 Other Conditional Receipts	1,363,837	1,312,575
Public contributions	-	-
	1,363,837	1,312,575
Total Conditional Grants and Receipts	14,319,349	11,535,806
See Note 17 for reconciliation of grants from other spheres of government. These amounts are invested until utilized		
7 VAT		
VAT payable	4,373,483	1,269,762
VAT receivable	-	7,392,163
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.		
8 LONG-TERM RECEIVABLES		
Other	34,250	34,250
Sport Clubs	26,573	26,573
Sale of Land	2,551,599	2,630,748
Vehicle loans	906,798	1,375,787
Housing selling scheme loans	7,839,131	9,340,375
	11,357,349	12,407,733
Less : Current portion transferred to current receivables	630,123	766,974
Car loans	-	-
Sewerage connection loans	-	-
Total	630,123	766,974
Electricity appliance purchase scheme	-	-
Housing selling scheme loans	-	-
Total	10,727,226	11,820,758
9 INVENTORY		
Consumable stores – at cost	2,320,660	2,293,236
Water – at cost	52,210	-
Total Inventory	2,372,870	2,293,236

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2006 R
11 CONSUMER DEBTORS		
	Gross Balances	Provision for Bad Debts
		Net Balances
As at 30 June 2006		
Service debtors	40,798,718	40,798,718
Rates	11,147,347	11,147,347
Electricity	8,543,737	8,543,737
Water	15,508,403	15,508,403
Sewerage	8,598,230	8,598,230
Regional Service Levies	-	-
Housing	12,737,769	12,737,769
Cash Advances (Floats)	14,074	14,074
Sundry Debtors	22,424,114	22,424,114
Current debtors (Consumers and other)	-	(56,882,249)
Total	75,972,876	(56,882,249)
As at 30 June 2005		
Service debtors	-	-
Rates	-	-
Electricity	-	-
Water	-	-
Sewerage	-	-
Regional Service Levies	-	-
Housing rentals	-	-
Current debtors (Consumers and other)	83,543,281	-17,321,052
Total	83,543,281	(17,321,052)
The following amount were written off as bad debts during the year:	378,803	
<u>Rates: Ageing</u>		
Current (0 – 30 days)	2,955,349	-
31 - 60 Days	304,341	-
61 - 90 Days	251,937	-
91 - 120 Days	214,022	-
121 - 365 Days	2,271,258	-
+ 365 Days	3,719,111	-
Total	9,716,018	-
<u>Levy Debtors: Ageing</u>		
Current (0 – 30 days)	12,673,611	-
31 - 60 Days	1,230,883	-
61 - 90 Days	1,055,900	-
91 - 120 Days	1,042,226	-
121 - 365 Days	6,178,526	-
+ 365 Days	17,468,806	-
Total	39,651,954	-
<u>Other Debtors: Ageing</u>		
Current (0 – 30 days)	(1,415,374)	-
31 - 60 Days	120,877	-
61 - 90 Days	145,038	-
91 - 120 Days	187,729	-
121 - 365 Days	1,551,635	-
+ 365 Days	12,932,937	-
Total	13,522,842	-

Housing rentals: Ageing

Current (0 – 30 days)	188,134	-
31 - 60 Days	66,454	-
61 - 90 Days	66,645	-
91 - 120 Days	84,747	-
121 - 365 Days	534,050	-
+ 365 Days	7,452,945	-
Total	8,372,976	-

Summary of Debtors by Customer Classification

30 June 2006

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
Current (0 – 30 days)	6,827,494	3,962,071	612,155
31 - 60 Days	1,467,527	216,849	36,176
61 - 90 Days	1,376,553	116,537	25,430
91 - 120 Days	1,308,292	174,751	25,663
121 - 365 Days	6,117,255	1,125,414	293,600
+ 365 Days	36,928,727	2,003,251	842,821
Sub-total	62,024,846	7,600,673	1,836,066
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	62,024,846	7,600,673	1,836,066

Summary of Debtors by Customer Classification

30 June 2005

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
Current	-	-	-
Current (0 – 30 days)	-	-	-
31 - 60 Days	-	-	-
61 - 90 Days	-	-	-
91 - 120 Days	-	-	-
121 - 365 Days	-	-	-
Sub-total	-	-	-
Less: Provision for bad debts	-	-	-
Total debtors by customer classification	-	-	-

Age Analysis year end differs from Annual Financial Statement and Ledger year end.

The SAMRAS system is a dynamic system meaning that all data are current. The system updates the payments in a certain order. Interest gets cleared first, then oldest arrears and only then will current debt be cleared. An age analysis done will differ on a day to day basis. Data on the votes were processed up to 30 June 2006 and were stated in the financial statements. On the debtors side the month end was done after the levies for the particular month, in this case 22 June 2006. If an age analysis were done after this date, only payments up to this mentioned date will be taken into consideration. The supplier of the software has now written a program that will do an age analysis up to and including a certain date. This data will be extracted from the audits on the system. This data will also be saved on the system on a month to month basis for future use.

Reconciliation of the bad debt provision

	2006	2005
	R	R
Balance at beginning of the year	17,321,052	-
Contributions to provision	39,740,000	-
Bad debts written off against provision	(378,803)	-
Reversal of provision	-	-
Balance at end of year	56,682,249	-

12 OTHER DEBTORS

	R	R
Payments made in advance	-	-
Unauthorized expenditure (see Note 35)	-	-
Fruitless and wasteful expenditure (see Note 35)	-	-
Unpaid conditional Grants	15,674,093	11,366,758
Insurance claims	-	-
Government subsidies	-	-
Total Other Debtors	15,674,093	11,366,758

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2006
	R	R
13 CALL INVESTMENT DEPOSITS		
Call deposits	165,000,000	90,000,000
Other Deposits	-	-
	<hr/>	<hr/>
Average Rate of Return on Investments	7.10%	7.80%

Investments include unspent conditional grants and CRR.

14 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account)

ABSA Bank Limited - Cheque Account - Vredenburg Branch
 Account Number 1300152100

Cash book balance at beginning of year	37,361,633	19,463,415
Cash book balance at end of year	<u>22,308,342</u>	<u>37,361,833</u>
Bank statement balance at beginning of year	40,341,148	21,197,976
Bank statement balance at end of year	<u>24,974,913</u>	<u>40,341,148</u>

15 PROPERTY RATES

Actual

Property Rates: Zero Rate	-1,515,217.14	(935,266)
Property Rates: Pensioners	-41,581.00	(42,536)
Property Rates: Pensioners	41,581.00	42,536
Building Clause Levy	87,301.39	72,222
Contribution: Housing	13,080.02	12,231
Property Rates	64,091,777.98	50,594,084
Property Rates: Zero Rate	281,759.52	935,266
Property Rates: Government Contributions	-	25,824
Previous Year Levies	2,742	(73,792)
Property Rates	(40,168)	
Property Rates: W	(4,376,459)	
Total Assessment Rates	<u>58,544,816</u>	<u>50,830,568</u>

Property Valuations

	July 2005	July 2004
	R000's	R000's
Residential	2,752,300,540	2,460,316,821
Commercial	878,321,210	867,296,810
State	412,800,500	412,229,500
Other	1,290,000	1,290,000
Farms	255,018,037	246,201,670
Total Property Valuations	<u>4,299,728,287</u>	<u>3,987,334,801</u>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2002. Rebates of 50% are granted to residential and 20% to state property owners. Single Home - 50%, Small Holdings - 50%, Zoned for Farming - 97.4%, Natura Reserves - 75%, Total valuation R22 000 or less - 100%, Pensioners Income < R18 720 - 40%, Income < R20 600 - 30%, Income < R22 700 - 20%. Rates are levied on an annual basis with the final date of payment being 30 September. On application, rate payers may pay monthly. Interest at the standard interest rate per annum is levied on outstanding rates.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2006 R	2005 R
16 SERVICE CHARGES		
Garden Refuse Removals	14,644.41	21,870
Refuse Removal Levies	13,699,194.35	13,326,794
Refuse Removal	246,345.75	286,528
Refuse Sites outside Municipal Boundaries	83,887.31	81,717
Refuse Removals : "Skips"	821,536.77	696,418
Basic Services (Minimum)	1,388,799.38	1,228,665
Departmental Usage	71,477.03	70,896
Pump Removals Levies	361,878.81	412,561
Connection Fees	18,824.56	39,701
Basic Services(Minimum)	8,714,941.94	7,817,648
Departmental: Basic Levies(Min.)	32,271.36	30,444
Departmental Levies: "Vloelgelde"	46,722.96	44,127
Clear Blockages	1,339.38	3,792
Sewerage Levies: Industrial (Basic)	1,317,623.29	1,578,335
Sewerage Removal Levies - Housing	5,541.52	5,808
Previous Year Levies	-	12,575
Sewerage Removal Levies - "Vloelgeld"	3,851,571.80	3,525,815
Water sold - Purified Sewerage Water	74,832.02	83,767
Previous Year Levies	-	244
Connection Fees	528,055.98	495,621
Basic Levies (Minimum)	5,276,124.80	5,183,268
Basic Departmental Levies(Minimum)	31,517.58	54,385
Availability Levies	2,231,273.33	2,023,417
Departmental Usage	1,301,731.83	1,142,421
Sundry	56,039.02	858
Reconnection Levies	82,707.05	78,194
Testing Meters	754.99	353
Water: Zero Rate	-	3,727,800
Water sold	49,863,332.45	41,490,787
Previous Year Levies	10,801.66	(125,340)
Water sold Zero Rate	-	(3,727,800)
Previous Year Levies	-	32,128
Connection Fees	941,753.97	1,053,501
Basic Levies(Minimum)	8,723,415.54	8,251,484
Basic Departmental Levies (Minimum)	651,686.73	625,385
Budget Meters	12,144,306.74	10,368,955
Availability Levies	698,800.89	665,706
Departmental Usage	1,718,794.82	1,860,406
Sundry	44,502.47	26,860
Electricity Sold	41,686,382.77	38,599,856
5% Levies on DSP Accounts	581,530.42	662,349
Reconnection Levies	232,228.12	283,828
Monthly Extension Levies	8,909.24	7,594
Testing Meters	300.00	300
Total Service Charges	157,373,581	141,920,101

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2005 R
17 GOVERNMENT GRANTS AND SUBSIDIES		-
Finance Management Grant	788,897	252,737
Management Support Program	26,545	324,328
Capital Donations	-	18,650,681
Public Contributions	-	59,134
Skill Development Program SETA	104,785	5,491
Performance Management System	60,000	-
Government Grant - Capital contributions	3,942,478	-
Subsidies - Main Roads	38,601	-
VUNA Awards	-	878,923
Vuna Capital Spending	-	70,077
Primary Health (PAWK)	3,817,688	7,294
Werd Committee Establishment	-	237,000
Transfer Award	-	2,117,299
Overspend Conditional Grants to Debtors	8,184,884	4,350,394
Equitable Share	-	188,207
MSIG Funds	-	224,147
TASK - Payments	-	8,709
Provincial Administration - "Soup kitchen"	-	183,748
Department of Sport and Recreation	82,450	198,865
Contribution - Western Cape Cleanup Operation	16,047,430	28,558,034
Total Government Grant and Subsidies		

17.1 Equitable Share

This grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy, which is funded from this grant.

Amount of monthly indigent subsidy:	2006	2005
Timbercity, Middelpos, Whitecity	R 103.00	R 72.00
Langville	R 135.00	R 97.00
Formel areas	R 128.00	R 93.00

	2006 R	2005 R
17 GOVERNMENT GRANTS AND SUBSIDIES (continued)		

17.2 Provincial Health Subsidies

Balance unspent at beginning of year	-	-
Current year receipts - included in public health vote	3,817,689	-
Conditions met - transferred to revenue	(3,817,689)	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

The Municipality renders health services on behalf of the Provincial Government and is refunded 100% of total expenditure incurred. This grant has been used exclusively to fund clinic services (included in the public health vote in Appendix D). The conditions of the grant have been met. There was no delay or withholding of the subsidy.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

17.3 MIG Grant

Balance unspent at beginning of year	-	-
Current year receipts	2,782,542	-
Conditions met - transferred to revenue	(2,782,542)	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

This grant was used to construct Infrastructure. (Include in votes in Appendix B).

17.4 Provincial LED Projects

Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 7)	-	-

18 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	-	57,477,408
Employee related costs - Contributions for UIF, pensions and medical	-	12,444,276
Remuneration	48,878,842	-
Bonuses	4,833,901	-
Contribution Group Life	1,229,942	-
Contribution Medical Aid	3,718,829	-
Contribution Pension Funds	7,973,348	-
Standby	688,857	-
Employment Cost	165,868	-
Overtime Payments	3,009,780	-
Subsidy: Interest	586,808	-
Allowance: Transport	1,468,841	-
Allowance: Tools	720	-
Uniforms/Protective Clothing	466,334	-
Leave Payments	259,956	-
Insurance: Workmans compensation	1,128,547	-
Transport of Furniture	12,500	-
UIF	485,978	-
Less: Employee costs capitalised to Property, Plant and Equipment	-	(11,425)
Less: Employee costs included in other expenses	-	-
Total Employee Related Costs	74,686,949	69,910,260

Remuneration of the Municipal Manager

Annual Remuneration	342,480	547,664
Bonuses	-	88,720
Performance bonus	88,720	-
Car Allowance	100,831	-
Severance Package	497,896	-
Pension funds	40,341	-
Leave Pay	21,024	-
Travel Allowance	18,288	-
Total	1,108,688	636,384

	2006 R	2005 R
18 EMPLOYEE RELATED COSTS (continued)		
<i>Remuneration of the Chief Finance Officer</i>		
Annual Remuneration	214,754	202,096
Bonuses	17,981	
Housing Subsidy	5,108	18,963
Car Allowance	108,254	81,808
Pension funds	58,343	88,585
	<u>402,440</u>	<u>387,250</u>

Remuneration of Individual Executive Directors
30 June 2006

	<u>Technical</u> <u>Services</u> R	<u>Corporate</u> <u>Services</u> R	<u>Community</u> <u>Services</u> R
Annual Remuneration	250,336	307,266	285,996
Performance Bonuses	71,147	81,485	81,836
Car Allowance	107,970	73,423	126,708
Medical and pension funds	84,083	71,088	-
Travel Allowance		1,690	
Tax: Motor Loan		845	
Backpay		2,185	
Acting Allowance		38,845	
Total	<u>483,518</u>	<u>557,640</u>	<u>474,540</u>

30 June 2005

	<u>Technical</u> <u>Services</u> R	<u>Corporate</u> <u>Services</u> R	<u>Community</u> <u>Services</u> R
Annual Remuneration	399,272	459,463	390,374
Performance Bonuses	71,147	61,485	61,836
Car Allowance	-	-	-
Medical and pension funds	-	-	-
Total	<u>470,419</u>	<u>520,948</u>	<u>452,210</u>

19 REMUNERATION OF COUNCILLORS

Executive Mayor	264,894	288,584
Deputy Executive Mayor	228,045	240,372
Speaker	234,260	238,921
Mayoral Committee Members	625,878	650,888
Councillors	879,766	812,585
Councillors' pension contribution	151,140	-
Cell phone Allowance	102,524	-
Total Councillors' Remuneration	<u>2,486,306</u>	<u>2,231,328</u>

20 INTEREST PAID

Interest Paid	9,473,473	10,090,406
	-	-
Total Interest on External Borrowings	<u>9,473,473</u>	<u>10,090,406</u>

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2006 R	2006 R
21 SULK PURCHASES		
Electricity	42,117,803.80	34,721,085
Water	25,805,548.57	20,141,033
Total Bulk Purchases	67,923,352	54,862,129

22 GRANTS AND SUBSIDIES PAID		
Indigent households	5,362,068	3,814,120
Total Grants and Subsidies	5,362,068	3,814,120

	2006 R	2006 R
23 CASH GENERATED BY OPERATIONS		
Surplus for the year	84,631,944	63,683,327
Adjustment for:-		
Depreciation	13,923,372	18,694,811
Gain on disposal of property, plant and equipment	-	(1,520,600)
Contribution to provisions - non-current	-	-
Contribution to provisions - current	-	-
Contribution to bad debt provision	-	8,411,000
Previous Year	(43,703)	-
Debt written off against Bad Debt Provision	-	(118,609)
Equity accounted share of associate's surplus	-	-
Investment Income	(12,154,919)	(8,272,587)
Interest paid	8,473,473	10,080,406
Operating surplus before working capital changes:	95,830,168	89,946,549
Decrease in Inventories	(79,634)	-
(Increase)/decrease in debtors	26,931,803	-
(Increase)/decrease in other debtors	(4,307,335)	-
(Decrease)/increase in unspent conditional grants and receipts	2,783,543	-
Increase in creditors	13,261,068	-
(Increase)/Decrease in provisions	(40,042,876)	-
(Increase)/decrease in VAT	10,485,674	-
Cash generated by/(utilised in) operations	104,872,812	88,946,549

24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash	22,308,342	37,361,633
Bank overdraft	-	-
Total cash and cash equivalents	22,308,342	37,361,633

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

25 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	84,818,418	75,734,292
Used to finance property, plant and equipment – at cost	84,818,418	75,734,292
Sub- total	-	-
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash is available to ensure that long-term liabilities can be repaid on redemption date.

	2008 R	2005 R
UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL 26 EXPENDITURE DISALLOWED		

Unauthorised expenditure

Reconciliation of unauthorised expenditure

Opening balance	-	-
Unauthorised expenditure current year	-	-
Approved by Council or condoned	-	-
Transfer to receivables for recovery (note 22)	-	-
Unauthorised expenditure awaiting authorisation	-	-

Incident	Disciplinary steps/criminal proceedings

Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
To be recovered – contingent asset (see note 40)	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-

Incident	Disciplinary steps/criminal proceedings

Irregular expenditure

Reconciliation of irregular expenditure

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery – not condoned	-	-
Irregular expenditure awaiting condonement	-	-

Incident	Disciplinary steps/criminal proceedings

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE
27 MANAGEMENT ACT

27.1 Contributions to organized local government

Opening balance	-	-
Council subscriptions	302,300	134,003
Amount paid - current year	(302,300)	(134,003)
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

No amounts was outstanding at year-end.

27.2 Audit fees

Opening balance	-	632,411
Current year audit fee	795,281	580,000
Amount paid - current year	(795,281)	(1,192,411)
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

The balance unpaid represents the audit fee for an interim audit conducted during May and June 2006 and is payable by 31 July 2006

27.3 VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8. All VAT returns have been submitted by the due date throughout the year.

27.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	7,178,595	-
Amount paid - current year	(7,178,585)	-
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

No amounts was outstanding at year-end.

27.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	89,752,228	10,858,509
Amount paid - current year	(89,752,228)	(10,856,509)
Amount paid - previous years	-	-
Balance unpaid (Included in creditors)	-	-

No amounts was outstanding at year-end.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

27.6 Other - SA Music Rights, Skill Development Levies and District Municipality Levies.

Opening balance	-	-
Current year payroll deductions and Council Contributions	888,407	712,950
Amount paid - current year	(888,407)	(712,950)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	-	-

No amounts was outstanding at year-end.

27.7 Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at: -

30 June 2006	<u>Total</u>	<u>Outstanding, less than 90 days</u>	<u>Outstanding more than 90 days</u>
Councillor Mbanze F	3,847	-	3,847
	-	-	-
Total Councillor Arrear Consumer Accounts	3,847	-	3,847

30 June 2006	<u>Total</u>	<u>Outstanding, less than 90 days</u>	<u>Outstanding more than 90 days</u>
Councillor	-	-	-
	-	-	-
Total Councillor Arrear Consumer Accounts	-	-	-

During the year the following Councillors' had arrear accounts outstanding for more than 90 days

30 June 2006	<u>Highest Amount Outstanding</u>	<u>Ageing</u>
Councillor Mbanze F	3,847	120 days
30 June 2005		
Councillor	-	days

No individual Councillors had arrear accounts for more than 90 days.

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

28 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure in respect of 2006/07 budget:

- Approved and contracted for

Infrastructure

Community

Heritage

Other

Housing Development Fund

Investment Properties

2006

R

2005

R

52,124,526

48,068,610

37,937,678

-

-

3,316,150

10,671,500

-

56,509,652

73,086,527

16,600,762

209,500

-

16,823,290

21,676,100

-

107,634,178

121,155,337

Total

This expenditure will be financed from:

- External Loans

- Capital Replacement Reserve

- Government Grants

- Housing Development Fund

- Special Funds

- Housing Board

- Own resources

- District Council Grants

5,068,674

39,234,670

21,024,000

4,550,000

100,000

37,082,600

-

574,034

107,634,178

-

50,370,527

70,784,810

-

-

-

-

-

121,155,337

29 RETIREMENT BENEFIT INFORMATION

Council and employees contribute mainly to the Cape Joint Pension fund / Provided fund. Last Percentage Funding: 30 June 2005: Cape Joint Pension fund - 103.4% and Cape Joint Retirement Fund - 106.2%. Councillors may belong to an own pension fund. (Information received from www.capejoint.co.za)

30 CONTINGENT LIABILITY

30.1 Legal Costs

Possible loss of legal costs arising from Supreme Court matters due to claims instituted against the Municipality

270,000

270,000

-

-

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

21. INVESTMENTS (Refer note 13)

		INVESTMENTS 30/06/2008					
INSTITUTION	INVESTMENT NUMBER	DATE	CHEQUE NO.	R	INTEREST RATE	TERM	MATURITY DATE
ABSA	2085248188	10/01/08	38240	5,000,000.00	7.05%	6 Months	10/01/08
ABSA	2085307186	25/01/08	38572	6,000,000.00	7.05%	6 Months	25/07/08
ABSA	2085307180	25/01/08	38573	5,000,000.00	7.05%	6 Months	25/07/08
ABSA	2085407220	21/02/08	39132	5,000,000.00	7.10%	6 Months	21/08/08
ABSA	2085407186	21/02/08	39133	6,000,000.00	7.10%	6 Months	21/08/08
ABSA	2085488211	15/03/08	39814	5,000,000.00	7.10%	6 Months	11/09/08
ABSA	2085488075	15/03/08	39815	5,000,000.00	7.10%	6 Months	11/09/08
ABSA	2085520013	24/03/08	39776	6,000,000.00	7.10%	6 Months	20/09/08
ABSA	2085683016	15/05/08	40727	5,000,000.00	7.05%	3 Months	15/05/08
Sub-Total				R 45,000,000			
First National Bank	71087328728	10/01/08	38242	5,000,000.00	7.05%	6 Months	10/07/08
First National Bank	71088417278	25/01/08	38576	5,000,000.00	7.05%	6 Months	25/07/08
First National Bank	71088416880	25/01/08	38577	5,000,000.00	7.05%	6 Months	25/07/08
First National Bank	71100883398	21/02/08	39134	6,000,000.00	7.10%	6 Months	21/08/08
First National Bank	71100883734	21/02/08	39135	5,000,000.00	7.10%	6 Months	21/08/08
First National Bank	71102240743	15/03/08	39816	5,000,000.00	7.10%	6 Months	15/09/08
First National Bank	71102238233	15/03/08	39817	5,000,000.00	7.10%	6 Months	15/09/08
First National Bank	71102871528	24/03/08	39778	5,000,000.00	7.12%	6 Months	22/09/08
First National Bank	71102871457	24/03/08	39777	5,000,000.00	7.12%	6 Months	22/09/08
Sub-Total				R 45,000,000			
Standard Bank	28-850-408-032	10/01/08	38241	5,000,000.00	7.00%	6 Months	07/10/08
Standard Bank	28-850-408-033	25/01/08	38574	5,000,000.00	7.05%	6 Months	25/07/08
Standard Bank	28-850-408-034	25/01/08	38075	5,000,000.00	7.05%	6 Months	25/07/08
Sub-Total				R 15,000,000			
Nedbank	2784D 7079 595 1	10/01/08	38243	5,000,000.00	7.05%	6 Months	10/07/08
Nedbank	183D 7070 595 3	25/01/08	38578	5,000,000.00	7.10%	6 Months	25/07/08
Nedbank	4182D 7070 595 3	25/01/08	38579	5,000,000.00	7.10%	6 Months	25/07/08
Nedbank	20035 D 2079 596 1	21/02/08	39136	5,000,000.00	7.10%	6 Months	21/08/08
Nedbank	20036 D 2079 596 1	21/02/08	39137	5,000,000.00	7.10%	6 Months	21/08/08
Nedbank	21953 D 2079 000 2	15/03/08	39818	5,000,000.00	7.15%	6 Months	15/09/08
Nedbank	21954 D 2079 595 2	15/05/08	39819	5,000,000.00	7.15%	6 Months	15/09/08
Nedbank	0263 D 2070 388 3	24/03/08	39776	5,000,000.00	7.15%	6 Months	20/09/08
Nedbank	0254 D 2070 595 3	24/03/08	39779	5,000,000.00	7.15%	6 Months	20/09/08
Nedbank	3988 D 2079 595 2	15/05/08	40728	5,000,000.00	7.05%	3 Months	14/08/08
Nedbank	3987 D 2079 595 2	15/05/08	40729	5,000,000.00	7.30%	6 Months	15/11/08
Nedbank	3986 D 2079 595 2	15/05/08	40730	5,000,000.00	7.30%	6 Months	15/11/08
Sub-Total				R 80,000,000			
TOTAL				R 165,000,000			

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

32. OTHER INCOME

	2008	2005
	R	R
Saldanha Steel Fund: Laingville	37,536	0
Chalets: Langebaan Resort: Public Contribution	1,028,000	0
Administration Fees	54,434	55,353
Copies	2,438	23,309
Cemetery Fees	218,808	224,170
Housing fund	4,205,147	2,089,414
Pest Extermination Fees	103	2,248
Payment Discount: Creditors	371,494	298,826
Building Plan Fees	756,079	1,782,957
Building Rubble Removal Fees	4,922	1,484
Fire Brigades Fees	2,119	27,235
VAT Recovery - Previous Years	0	5,239,413
Contribution: Saldanha Steel Fund	0	2,345
Contribution: Community Facilities	50	50
Contribution: Rent loss	1,503	1,402
Contribution: Maintenance Fund	12,757	11,952
Contribution: District Union Representative	33,987	52,545
Contribution: Transnet	36,519	0
Contribution: West Coast District Municipality: Fees	0	4,433
Summons	2,170	1,350
Departmental Usage	191,514	184,324
Town Plans and Copies	9,879	28,384
Copy Fees	34,236	32,911
Land Use Planning	273,872	205,075
Support	259,271	0
Subsidies - Municipal Buildings	53,079	0
Subsidies - Housing	4,369,138	0
Subsidies - Beaches	12,486,930	0
Subsidies - Sewerage Distribution	586,085	0
Subsidies - Solid Waste	1,122,807	0
Subsidies - Water	1,767,146	0
Capital Contribution: Public: Sewerage Distribution	2,002,121	1,149,922
Capital Contribution: Public: Streets	1,654,322	550,804
Capital Contribution: Public: Water	3,417,708	1,882,000
Capital Contribution: Public: Electricity Bulk Purchases	0	237,940
Capital Contribution: Public: Electricity Distribution	126,377	0
Commission on Coin Phones	23,932	663
Commission on Vehicle License Fees	2,073,252	1,833,659
PAYE Recovery	359,892	0
Licences: Commercial	1,295	1,219
Reverse of Unclaimed Money	0	1,296,238
Recreational Facilities Fees	6,925	12,349
Award: Cleanest Town	20,000	0
Beach Use: Donations	0	4,997
Swimmingpool Fees	27,088	24,768
Debited Out	2,539,542	935,831
Recoverable Expenditure	9,712	0
Sale of Plots Houses	19,296	28,070
Sale of Assets	2,026,701	0
Insurance Claims	292,433	2,278
Transport of Dogs to Vet	2,385	3,450
Vehicle Entrances	20,370	16,227
Previous year adjusted	247,712	0
Valuation Certificates	137,308	119,661
Sundry	627,859	419,566
	43,542,927	18,543,292

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

10. PROPERTY, PLANT AND EQUIPMENT

30 June 2008

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Develop- ment Fund	Leased Infrastruct- ure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2008	-	86,277,701	20,377,341	-	38,882,219	-	-	145,217,261
Cost	-	293,857,077	59,238,781	-	113,041,891	-	-	466,137,549
Correction of error (note 32)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(213,579,378)	(38,861,440)	-	(73,479,472)	-	-	(325,920,289)
- Cost	-	(213,579,378)	(38,861,440)	-	(73,479,472)	-	-	(325,920,288)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	13,386,499	21,599,968	-	19,011,234	-	-	54,997,701
Capital under Construction	-	6,536,500	115,311	-	1,186,939	-	-	7,838,749
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	-	(6,988,408)	(974,098)	-	(6,080,887)	-	-	(13,923,392)
- based on cost	-	(6,988,408)	(974,098)	-	(6,080,887)	-	-	(13,923,392)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(213,373)	-	-	(213,373)
Cost/revaluation	-	-	-	-	(653,142)	-	-	(653,142)
Non-Capital (Cost)	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	439,768	-	-	439,768
Impairment losses	-	-	-	-	-	-	-	-
Correction of error	-	-	-	-	-	-	-	-
	-	93,212,291	41,217,943	-	60,486,148	-	-	194,916,382
Carrying values at 30 June 2008	-	93,216,500	41,217,943	-	60,482,940	-	-	194,916,382
Cost	-	313,780,078	80,953,470	-	120,586,720	-	-	515,320,268
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(220,564,578)	(39,735,528)	-	(79,103,780)	-	-	(339,403,886)
- Cost	-	(220,564,578)	(39,735,528)	-	(79,103,780)	-	-	(339,403,886)
- Revaluation	-	-	-	-	-	-	-	-

SALDANHA BAY MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

10. PROPERTY, PLANT AND EQUIPMENT (continued)

30 June 2005

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing Develop- ment	Leased Infrastruct- ure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2004	-	64,680,008	13,438,063	-	36,283,287	-	-	113,363,328
Cost	-	268,642,501	51,017,880	-	189,810,383	-	-	427,470,744
Correction of error (note 32)	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(201,962,493)	(37,587,807)	-	(74,557,118)	-	-	(314,107,418)
- Cost	-	(201,962,493)	(37,587,807)	-	(74,557,118)	-	-	(314,107,418)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	27,214,578	8,220,821	-	11,113,047	-	-	48,548,642
Capital under Construction	-	-	-	-	-	-	-	-
Increase/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	-	(11,818,883)	(1,273,833)	-	(6,804,084)	-	-	(19,894,811)
- based on cost	-	(11,818,883)	(1,273,833)	-	(6,804,084)	-	-	(19,894,811)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	-	-	-	-
Cost/revaluation	-	-	-	-	(49,281)	-	-	(49,281)
Non-Capital (Cost)	-	-	-	-	(7,832,477)	-	-	(7,832,477)
Accumulated depreciation	-	-	-	-	7,381,738	-	-	7,381,738
Impairment losses	-	-	-	-	-	-	-	-
Correction of error	-	-	-	-	-	-	-	-
	-	88,277,701	20,377,341	-	38,582,219	-	-	146,217,261
Carrying values at 30 June 2005	-	88,277,701	20,377,341	-	38,582,219	-	-	146,217,261
Cost	-	293,567,077	58,238,781	-	113,041,891	-	-	464,137,549
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	(213,578,376)	(38,861,440)	-	(73,479,472)	-	-	(325,920,288)
- Cost	-	(213,578,376)	(38,861,440)	-	(73,479,472)	-	-	(325,920,288)
- Revaluation	-	-	-	-	-	-	-	-

APPENDIX A

BALDANHA BAY MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2006

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/05	Received during the period	Redeemed written off during the period	Balance at 30/06/06	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
			R	R	R	R	R	R
LONG-TERM LOANS								
C.M.B. Nominees (Pty) Ltd	AA 235-12-14	31/12/2005	-	-	-	-	-	-
ABSA Nominees (Pty) Ltd	AA 235-12-14	31/12/2005	-	-	-	-	-	-
Total long-term loans			-	-	-	-	-	-
ANNUITY LOAN								
Loans to Local Government	AA 3701-12-20		152,677	-	152,677.86	-	-	-
Loans to Local Government	AA 370-12-20	2009	96,881	-	96,880.85	-	-	-
Loans to Local Government	AA 370-12-20	2009	94,098	-	94,095.83	-	-	-
Loans to Local Government	AA 370-12-20	2009	210,567	-	210,567.11	-	-	-
Loans to Local Government	AA 370-12-20	2009	145,981	-	145,980.77	-	-	-
Loans to Local Government	RB 48/10	2010	1,412,075	-	1,412,074.50	-	-	-
Loans to Local Government			3,325,050	-	3,325,080.13	-	-	-
Dept. of Water affairs	AA 3701-12-20		213,124	-	12,916.84	200,207	-	-
Development Bank SA	Project 10879	(Elec)	6,272,845	-	6,272,844.50	-	-	-
Development Bank SA	Project 10710	(Infrastructure)	6,964,789	-	6,964,786.73	-	-	-
Development Bank SA	Project 10877	(Water Infrus.)	1,470,541	-	1,470,540.53	-	-	-
Development Bank SA	Project 10880	(Elec.)	2,046,441	-	2,046,440.58	-	-	-
Development Bank SA	Project 10900	(Bridging Fin)	4,511,334	-	4,511,338.50	-	-	-
Development Bank SA	Project 10898	(Chic Centre)	4,365,763	-	4,365,762.85	-	-	-
Development Bank SA	Project 13320	(Streets/Stomw)	3,724,480	-	3,724,479.55	-	-	-
Development Bank SA	Project 13321	(Land/Services)	1,439,741	-	1,439,741.10	-	-	-
Development Bank SA	Project 10879	(Sewerage)	867,000	-	867,580.24	-	-	-
Development Bank SA	Project 13436	(Land/Services)	2,117,373	-	194,625.28	1,922,848	-	-
Development Bank SA	Project 13437	(Roads)	3,822,599	-	383,402.52	3,239,197	-	-
Development Bank SA	Project 13439	(Water Infrus.)	915,924	-	83,812.02	831,812	-	-
Development Bank SA	Project 13440	(Retention Dams)	3,086,235	-	284,820.12	2,803,313	-	-
Development Bank SA	Project 13441	(Sanitation)	5,244,788	-	484,574.39	4,760,182	-	-
Development Bank SA	Lengabani	(Bungalows)	375,818	-	375,818.29	-	-	-
Development Bank SA	1/8:11829/1	2013	762,419	-	762,419.38	-	-	-
Development Bank SA	1/9,3/8:11891/1	2009	46,171	-	46,170.81	-	-	-
Development Bank SA	1/10:11893/1	2013	22,080	-	22,080.31	-	-	-
Development Bank SA	Project 100364		4,887,528	-	374,459.68	4,483,068	-	-
Development Bank SA	Project 101315/1		5,842,410	-	364,867.48	5,247,542	-	-
Development Bank SA	Project 101783/1		3,800,000	-	128,761.70	3,373,248	-	-
ABSA		30/06/2011	5,050,848	-	5,050,848	-	-	-
Nedbank		5724		5,164,000.00	1,628,806.09	3,534,194	-	-
Nedbank		5726		6,300,000.00	1,126,944.50	5,173,056	-	-
Nedbank		5725		5,000,000.00	724,821.38	4,275,179	-	-
Nedbank		3723		26,375,000.00	1,681,107.39	26,193,892	-	-
Nedbank		5727		21,400,000.00	1,879,339.88	19,720,660	-	-
FNB	7/4	2014	5,336	-	5,336.03	-	-	-
Total annuity loans			72,574,697	64,738,000.00	52,495,278.93	64,818,413	-	-
GOVERNMENT LOANS								
Council - External Loan - Housing			3,159,595	-	3,159,595.03	-	-	-
Total Government Loans			3,159,595	-	3,159,595.03	-	-	-
LEASE LIABILITY								
Total Government Loans			-	-	-	-	-	-
TOTAL EXTERNAL LOANS			75,734,292	64,738,000	55,654,874	64,818,413	-	-

APPENDIX B

SALDANHA BAY MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2006

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Corrections	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Infrastructure										
Access Control	82,858.49	41,782.84	-	-	124,440.43	82,858.49	4,173.00	-	38,628.48	37,818.88
Bridges, Subways	878,351.18	288,703.52	-	-	1,146,054.70	223,148.71	24,880.58	-	247,208.29	887,544.41
Bus Terminals	1,824,880.01	-	-	-	1,824,880.01	815,832.87	81,894.77	-	827,527.84	1,147,132.57
Car Parks	2,886,538.07	484,838.83	-	-	3,380,176.00	1,940,783.21	87,841.28	-	2,008,734.49	1,351,441.31
Fencing	3,717,038.00	1,080,882.18	-	-	4,787,720.78	3,134,123.10	460,880.44	-	3,884,783.54	1,212,897.22
Footways	1,148,468.84	-	-	-	1,148,468.84	770,181.82	22,874.10	-	782,836.02	385,623.82
Garbing	8,236,814.88	234,381.88	-	-	8,474,186.71	2,636,873.01	340,418.13	-	2,878,381.14	6,487,775.57
Load Control EQ	128,876.71	-	-	-	128,876.71	128,876.71	-	-	128,876.71	-
Maine	1,240,366.88	-	-	-	1,249,335.55	1,181,496.32	15,803.84	-	1,197,298.88	182,068.58
Maine	58,414.02	-	-	-	85,414.02	85,414.02	-	-	85,414.02	-
Meters	1,147,533.58	148,340.82	-	-	1,283,824.17	783,368.13	28,232.01	-	827,880.14	488,324.08
Paving	478,816.30	28,828.80	-	-	488,544.20	371,778.88	8,480.03	-	380,298.71	118,307.48
Pipelines	45,000.00	3,878,348.83	-	-	4,023,348.83	45,000.00	8,723.78	-	50,723.78	3,872,824.84
Power Stations	10,414,488.41	-	-	-	10,414,880.41	4,123,538.11	302,383.75	-	4,425,431.88	5,988,067.88
Pump Stations	82,658.83	-	-	-	82,808.42	82,808.43	-	-	82,808.42	-
Purification Works	11,837,484.87	851,847.83	1,008,102.53	-	13,597,804.83	8,184,314.00	183,033.30	-	8,358,388.80	5,238,234.83
Airports/Radio	246,200.00	-	-	-	246,200.00	246,200.00	-	-	246,200.00	-
Other Roads	88,822,887.00	1,883,181.58	-	-	80,475,878.24	47,754,513.87	1,838,358.57	-	48,882,873.84	10,783,208.70
Runways	878,131.78	-	-	-	878,131.78	878,131.78	-	-	878,131.78	-
Security System	920,525.57	37,881.88	-	-	958,087.88	811,118.88	52,088.58	-	863,212.25	94,875.80
Sewers	81,828,731.03	2,338.32	48,756.00	-	51,878,807.23	35,351,886.12	883,804.87	-	36,337,502.78	15,841,304.88
Sewerage Pumps	808,548.47	-	-	-	808,548.47	148,884.82	35,888.83	-	204,484.18	705,088.32
Street Lighting	3,585,705.48	1,038,830.81	-	-	4,822,836.27	2,281,710.38	111,887.88	-	2,343,308.08	2,278,228.18
Supply/Retoulution	62,020,036.47	458,508.38	3,914,884.78	-	85,900,528.84	84,221,303.34	821,867.31	-	84,842,380.85	11,088,188.88
Supply/Retoulution	47,040,784.88	-	-	-	47,040,784.88	38,821,188.43	1,118,888.12	-	39,840,384.55	13,188,880.00
Stormwater Drains	7,207,833.87	1,245,188.78	-	-	8,482,742.88	5,031,788.43	184,852.70	-	5,186,722.13	3,298,820.32
Switchgear Equipment	832,881.57	-	-	-	832,881.57	658,882.88	15,284.87	-	381,887.38	250,884.21
Reservoirs & Ts	13,431,808.72	1,888,518.38	2,563,573.83	-	17,581,884.74	8,513,810.77	338,170.88	-	8,883,881.88	8,788,813.88
Subways	542,387.17	-	-	-	542,387.17	418,753.13	11,778.47	-	431,831.88	110,886.57
Transformer Kio	378,381.88	113,841.47	-	-	483,183.10	80,888.88	11,881.84	-	72,878.78	428,214.31
Islands	283,328.07	-	-	-	283,328.07	283,328.07	-	-	283,328.07	-
Traffic Lights	155,222.07	-	-	-	155,222.07	88,788.28	8,882.87	-	78,287.83	78,884.44
Street names	478,888.21	151,888.88	-	-	827,888.30	318,888.03	38,837.84	-	343,542.87	284,815.83
	283,887,878.88	13,388,488.80	8,838,488.88	-	313,780,878.88	213,878,187.82	8,388,488.38	-	223,884,878.88	83,218,488.88
Community Assets										
Beach Development	18,883,885.80	12,488,888.37	-	-	38,578,888.17	10,134,228.84	202,048.71	-	10,338,275.88	18,240,710.82
Cemeteries	2,388,803.88	74,884.33	-	-	2,441,787.88	-	-	-	-	2,441,787.88
Community Centre	8,528,200.84	138,838.07	-	-	8,888,038.81	8,888,048.13	134,888.18	-	8,785,008.28	2,873,028.32
Floodlighting	-	143,021.54	-	-	143,021.54	-	4,887.88	-	4,887.88	138,834.88
Golf Courses	488,818.88	-	-	-	488,818.88	388,713.74	18,888.78	-	387,384.52	83,221.13
Heritage Buildings	10,488.03	-	-	-	10,488.03	-	-	-	-	10,488.03
Clinical/Hospitals	2,188,823.88	-	-	-	2,188,823.88	1,888,585.17	18,074.02	-	1,818,888.18	238,884.81
Informal Housing	218,887.78	3,720,888.57	118,310.88	-	4,051,374.28	105,788.88	4,838.28	-	170,833.11	3,888,741.18
Libraries	1,888,845.28	-	-	-	1,888,845.28	1,838,038.84	8,888.88	-	1,843,542.30	107,102.88
Municipal Buildings	4,107,588.00	3,388,544.88	-	-	7,884,143.28	3,281,188.78	47,284.84	-	3,338,381.88	4,188,781.82
Municipal Houses	7,288,731.58	248,448.48	-	-	7,821,178.07	3,404,424.21	207,138.78	-	3,811,820.97	3,888,554.10
Outdoor Sports	8,882,274.88	404,870.58	-	-	7,288,845.57	5,288,118.31	118,848.88	-	5,388,787.30	1,870,178.27
Parks	1,848,888.53	187,804.04	-	-	2,187,488.57	788,818.08	55,481.03	-	818,388.18	1,372,088.48
Public Convenis	2,821,178.78	241,815.00	-	-	3,162,893.78	2,343,507.83	28,888.28	-	2,271,884.18	781,838.58
Recreation Centre	-	481,783.22	-	-	481,783.22	-	-	-	-	481,783.22
Swimming Pools	2,281,254.27	82,800.00	-	-	2,383,784.27	2,088,388.88	11,838.84	-	2,110,888.53	252,788.84
Tennis Courts	888,788.24	-	-	-	888,788.24	484,488.88	32,288.43	-	628,888.31	388,888.88
	85,338,788.87	21,888,307.78	118,310.88	-	88,843,478.28	38,881,438.84	874,888.32	-	38,738,838.27	41,217,843.82
Heritage Assets										
Historical Buildings	-	-	-	-	-	-	-	-	-	-
Painting & Art Galleries	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total carried forward	383,083,857.41	34,888,888.58	8,851,810.88	-	394,733,554.88	282,437,887.47	7,882,884.70	-	288,388,112.17	134,433,442.71

APPENDIX B
SALDANHA BAY MUNICIPALITY : ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2008

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Corrections	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Total brought forward	353,026,867.41	34,965,886.58	8,881,810.88	-	396,733,564.88	252,437,807.47	7,882,604.70	-	260,300,112.17	134,433,442.71
Housing Rental Stock	-	-	-	-	-	-	-	-	-	-
Housing Rental 1	-	-	-	-	-	-	-	-	-	-
Housing Rental 2	-	-	-	-	-	-	-	-	-	-
Leased Assets (Infrastructure)	-	-	-	-	-	-	-	-	-	-
Sewerage Main & Purify	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-
Abattoirs	230,000.00	-	-	-	230,000.00	230,000.00	-	-	230,000.00	-
Air Conditioner	230,641.47	19,304.58	-	-	249,946.02	186,595.81	28,517.83	-16,530.15	211,843.71	68,302.31
Audio Equipment	41,878.00	-	-	-	41,878.00	41,878.00	-	-	41,878.00	-
Bulk Containers	2,890,788.50	78,542.28	-	-	2,969,330.78	1,407,360.44	183,863.58	-	1,800,814.03	1,368,386.73
Cabinets/Cupboard	184,340.47	14,891.71	-	-	199,232.18	180,108.88	7,828.86	-	187,937.74	41,288.27
Caravan Parks	10,852,598.88	-	-	-	10,852,598.88	9,551,582.42	41,778.01	-	9,593,337.43	1,086,258.43
Chairs	208,880.12	26,384.25	-	-	235,264.37	147,486.47	11,804.88	-	159,291.35	78,862.86
Computer Hardware	8,338,387.84	554,888.54	-	-	8,893,276.38	5,158,885.10	428,831.48	-14,280.83	5,590,587.19	1,281,408.19
Computer Software	1,812,017.88	881,978.57	-	-	2,693,996.45	1,378,753.27	281,178.28	-	1,659,931.53	477,060.82
Equipment/Appl	342,788.81	84,789.37	-	-	427,578.28	308,588.89	22,701.43	-	331,290.31	108,308.57
Electrical Equipment	328,880.88	4,288,888.01	-	-	4,617,769.89	321,887.34	238,203.88	-	560,091.22	4,057,678.67
Milling Equipment	-	4,311.24	-	-	4,311.24	-	207.88	-	207.88	4,103.35
Radio Equipment	2,089,058.73	171,078.88	-	-	2,260,137.61	1,891,860.62	188,482.63	-	1,980,343.25	300,888.54
Telecommunication	186,393.25	848.37	-	-	187,241.62	130,387.78	18,038.51	-	148,426.29	847.33
Farms	418,538.00	-	-	-	418,538.00	418,538.00	-	-	418,538.00	-
Fire	83,315.84	-	-	-	83,315.84	88,884.88	344.43	-	89,229.31	3,078.52
Generator	238,328.22	21,438.99	-	-	259,767.21	202,977.88	16,738.74	-	219,716.62	38,048.82
General	1,888,825.50	3,887,044.10	1,084,847.00	-	6,860,716.60	1,388,138.58	173,784.21	-	1,561,922.79	4,721,818.02
Household Refuse	-	728,840.01	-	-	728,840.01	-	122,773.88	-	122,773.88	607,066.13
Housing Schemes	3,178,585.24	270,238.88	88,327.38	-	3,537,151.50	1,272,817.80	84,538.83	-	1,357,356.63	2,208,848.88
Irrigation System	1,480,720.12	17,818.40	-	-	1,498,538.52	884,838.80	45,848.87	-	1,030,888.43	447,438.08
Markets	1,434,382.83	-	-	-	1,434,382.83	1,357,737.88	3,833.33	-	1,361,571.21	72,781.88
Miscellaneous	1,182,134.88	211,727.08	-	-	1,393,861.96	710,202.75	82,838.88	-	893,041.63	571,002.73
Mixer - Concrete	88,588.24	-	-	-	88,588.24	85,214.72	2,188.78	-	87,401.88	2,184.74
Office Buildings	17,882,312.21	92,101.42	-	-	17,974,413.63	8,891,810.79	343,873.12	-	10,041,888.82	7,113,127.71
Office Machines	278,580.37	-	-	-	278,580.37	308,004.38	35,353.28	-	343,357.66	21,222.73
Other Land	400,408.24	-	-	-	400,408.24	-	-	-	-	400,408.24
Tables/Desks	108,782.11	-	-	-	108,782.11	82,710.12	8,281.28	-	71,001.81	38,780.80
Tipsters	-	503,837.40	-	-	503,837.40	-	18,488.88	-	18,488.88	485,348.52
Tip Sites	328,974.73	-	-	-	328,974.73	318,101.82	513.91	-	318,615.73	13,358.80
Tools	138,817.27	88,318.52	2,881.83	-	229,917.62	89,888.87	19,348.83	-	109,237.70	120,679.92
Town Planning	4,282,103.81	239,738.78	-	-	4,521,842.59	3,819,820.86	225,448.88	-	4,045,269.74	783,588.77
Trails	858,288.79	35,282.77	-	4,147.00	897,718.56	808,010.81	71,527.70	4,147.88	883,686.39	20,000.00
Training Centre	73,884.84	-	-	-	73,884.84	6.78	2,482.10	-	2,488.88	71,396.74
Vacant Land	10,816,841.88	428,148.18	-	-	11,244,990.06	-	-	-	-	10,845,881.18
Valuation Roll	55,888.10	-	-	-	55,888.10	55,838.18	-	-	50,050.18	5,837.92
Motor Vehicles	2,568,083.83	-	-	57,488.80	2,490,595.03	2,217,877.00	144,888.37	57,488.80	2,304,834.47	183,888.18
Buses	-	274,880.35	-	-	274,880.35	-	7,483.80	-	7,483.80	267,396.55
Compressors	45,182.38	-	-	-	45,182.38	45,182.38	-	-	45,182.38	-
Motor Cycles	7,712.12	-	-	-	7,712.12	7,712.12	-	-	7,712.12	-
Fire Engine	1,131,410.45	-	-	-	1,131,410.45	863,586.02	34,180.43	-	897,736.48	443,878.00
Farm Equipment	588.50	-	-	-	588.50	588.50	-	-	588.50	-
Graders	4,188,284.77	-	-	-	4,188,284.77	2,188,284.77	337,880.83	-	2,526,165.60	1,662,119.17
Lawnmowers	495,217.74	588,888.78	-	-	1,084,106.52	427,870.07	134,888.88	-	562,758.95	521,347.57
Road Maintenance	887,523.44	202,328.88	-	80,488.88	1,170,341.20	578,141.11	20,878.21	80,488.88	678,497.20	491,843.99
Trucks/Bulldozers	28,188,454.08	8,378,881.81	-	880,885.32	37,447,221.21	18,418,373.00	2,817,772.88	318,413.28	20,717,788.10	16,729,433.11
Tractors	1,473,147.77	9,188.81	-	-	1,482,336.58	1,482,336.58	41,388.88	-	1,523,725.46	138,588.81
Workshops/Depots	8,882,887.28	-	-	-	8,882,887.28	8,814,117.27	81,071.88	-	8,895,189.15	87,768.11
	113,041,881.88	18,811,233.83	1,188,838.00	883,141.80	133,924,901.51	73,882,880.81	6,880,887.23	438,788.48	79,193,773.88	54,731,127.63
Total	446,137,848.80	45,987,120.28	7,438,748.88	883,141.80	500,446,867.16	388,820,288.34	13,883,371.83	438,788.48	402,141,448.65	98,325,418.51

APPENDIX C
SALDANHA BAY MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
30 June 2008

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Executive & Council	842,277	321,788	-	-	964,044	511,793	52,065	-	563,858	400,187
Finance & Admin	85,481,747	3,294,682	-	41,197	88,797,626	39,635,081	1,092,323	57,727	40,785,111	28,012,514
Planning & Development	3,882,827	455,836	-	-	4,138,664	2,767,456	295,807	-	3,063,263	1,075,401
Health	967,774	6,310	-	-	964,085	884,676	23,242	-	907,818	56,267
Community & Social Services	5,038,955	811,944	-	-	5,850,899	2,156,020	252,352	-	2,408,372	3,242,526
Housing	3,754,978	4,401,006	-	(23,979)	8,132,006	1,674,981	113,756	(23,979)	1,764,791	6,367,217
Public Safety	1,710,804	8,592	-	-	1,720,486	987,776	83,602	-	1,071,378	649,117
Sport & Recreation	35,744,884	3,894,050	-	(128,956)	39,510,078	26,853,135	1,154,748	(128,956)	27,888,926	11,621,153
Environmental Protection	500,168	-	-	-	500,169	345,841	-	153,328	500,169	-
Waste Management	81,486,048	10,838,113	-	(81,407)	92,342,754	58,244,156	2,627,766	(81,407)	58,810,515	33,532,239
Road Transport	99,223,478	8,089,990	-	(124,020)	107,169,447	89,961,747	4,065,223	(124,020)	73,922,949	33,246,496
Water	65,408,010	9,194,043	-	(258,381)	74,343,672	44,922,746	1,791,962	(214,886)	46,498,842	27,843,830
Electricity	81,058,885	4,801,182	-	(97,597)	86,762,470	64,569,784	1,561,056	(97,597)	66,053,223	19,708,247
Other	21,486,514	12,837,350	-	-	34,323,864	14,404,238	759,439	-	15,158,677	18,160,187
TOTAL	468,137,549	56,836,867	-	(653,141)	524,320,275	326,920,288	13,923,372	(439,768)	339,403,882	184,916,383

APPENDIX D

**SALDANHA BAY MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED
30 June 2008**

2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)		2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)
R	R	R		R	R	R
29,265,854	19,028,804	10,237,050	Executive & Council	12,749,371	17,917,247	(4,867,876)
62,834,788	26,401,994	36,432,794	Finance & Admin	75,426,423	27,117,144	48,309,279
2,032,114	3,019,919	(987,805)	Planning & Development	1,072,774	3,720,820	(2,647,846)
2,421,217	4,501,981	(2,080,764)	Health	3,824,235	3,775,848	48,297
277,737	4,823,292	(4,545,555)	Community & Social Services	468,158	9,862,501	(6,208,343)
3,662,708	2,084,339	1,518,368	Housing	8,908,169	1,266,391	7,641,779
59,712	960,070	(900,358)	Public Safety	29,010	1,147,572	(1,118,562)
5,424,969	12,442,859	(7,017,890)	Sport & Recreation	18,894,705	13,424,398	5,470,308
2,343,446	2,288,138	55,307	Environmental Protection	134,185	10,821	123,574
31,200,666	22,911,716	8,288,948	Waste Management	38,518,282	24,883,693	11,834,688
5,960,440	20,047,814	(14,081,374)	Road Transport	10,510,023	21,981,004	(11,470,981)
51,885,852	30,266,002	21,729,850	Water	94,699,124	37,030,817	27,668,206
62,488,291	49,288,753	13,197,539	Electricity	87,630,906	58,126,287	8,504,819
8,324,957	16,021,286	(7,696,328)	Other	2,853,043	12,281,743	(9,428,700)
268,306,849	214,056,768	54,250,081	Sub Total	303,705,418	229,846,066	73,859,333
-	(9,413,246)	8,413,246	Less Inter-Dep Charges	-	(10,772,811)	10,772,911
268,306,849	204,643,522	63,663,327	Total	303,705,419	219,073,475	84,631,944
		-	Add: Share of Associate			-
		63,663,327				84,631,944

APPENDIX E(1)

SALDANHA BAY MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006

REVENUE	2006 Actual (R)	2006 Budget (R)	2006 Variance (R)	2006 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	58,544,818	55,634,107	2,910,709	5.23%	Budget not final GRAP format.
Property rates - penalties imposed and collection charges	1,375,360	1,308,000	67,360	5.15%	Budget not final GRAP format.
Service charges	157,373,581	155,290,752	2,082,829	1.34%	Budget not final GRAP format.
Regional Services Levies - turnover	-	-	-	0.00%	Budget not final GRAP format.
Regional Services Levies - remuneration	-	-	-	0.00%	Budget not final GRAP format.
Rental of facilities and equipment	8,752,572	8,164,595	587,977	9.54%	Budget not final GRAP format.
Interest earned - external investments	12,154,919	-	12,154,919	0.00%	Budget not final GRAP format.
Interest earned - outstanding debtors	1,882,408	1,065,899	816,509	78.60%	Budget not final GRAP format.
Dividends received	-	-	-	0.00%	Budget not final GRAP format.
Fines	2,803,540	3,141,160	(337,620)	-10.75%	Budget not final GRAP format.
Licences and permits	1,095,588	1,028,000	67,588	6.58%	Budget not final GRAP format.
Income for agency services	132,268	-	132,268	0.00%	Budget not final GRAP format.
Government grants and subsidies	18,047,430	9,928,402	8,119,028	81.78%	Budget not final GRAP format.
Other income	43,542,927	21,967,013	21,575,914	98.22%	Budget not final GRAP format.
Public contributions, donated/contributed PPE	-	-	-	0.00%	Budget not final GRAP format.
Gains on disposal of property, plant and equipment	-	-	-	0.00%	Budget not final GRAP format.
Total Revenue	303,705,419	255,527,928	48,177,491	18.85%	Budget not final GRAP format.
EXPENDITURE					
Executive & Council	17,817,247	19,520,491	(1,903,244)	-9.75%	Budget not final GRAP format.
Finance & Admin	27,117,144	28,426,715	(2,309,571)	-7.85%	Budget not final GRAP format.
Planning & Development	3,720,820	3,704,894	15,926	0.42%	Budget not final GRAP format.
Health	3,775,948	4,965,091	(1,189,143)	-23.95%	Budget not final GRAP format.
Community & Social Services	6,682,501	7,542,327	(859,826)	-11.87%	Budget not final GRAP format.
Housing	1,266,381	1,191,308	75,073	6.30%	Budget not final GRAP format.
Public Safety	1,147,572	1,348,149	(200,577)	-14.88%	Budget not final GRAP format.
Sport & Recreation	13,424,398	13,169,061	255,337	1.94%	Budget not final GRAP format.
Environmental Protection	10,821	51,191	(40,370)	-79.25%	Budget not final GRAP format.
Waste Management	24,883,693	28,400,010	(3,516,317)	-13.09%	Budget not final GRAP format.
Road Transport	21,981,004	23,065,036	(1,084,032)	-4.70%	Budget not final GRAP format.
Water	37,030,917	38,324,262	(1,293,345)	-3.37%	Budget not final GRAP format.
Electricity	59,128,287	58,292,904	835,383	0.28%	Budget not final GRAP format.
Other	12,281,743	7,809,788	4,471,955	61.39%	Budget not final GRAP format.
Inter-departmental charges	(10,772,811)	(10,772,738)	73	0.00%	Budget not final GRAP format.
Total Expenditure	218,073,475	228,838,490	(7,765,015)	-3.42%	Budget not final GRAP format.
NET SURPLUS/(DEFICIT) FOR THE YEAR	84,631,944	28,689,438	55,942,506	194.99%	Budget not final GRAP format.

APPENDIX E(1)

SALDANHA BAY MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2005

REVENUE	2005 Actual (R)	2005 Budget (R)	2005 Variance (R)	2005 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
Property rates	50,630,568	-	50,630,568	0.00%	(Explanations to be recorded)
Property rates - penalties imposed and collection charges	1,230,754	-	1,230,754	0.00%	
Service charges	141,920,101	-	141,920,101	0.00%	
Regional Services Levies - turnover	-	-	-	0.00%	
Regional Services Levies - remuneration	-	-	-	0.00%	
Rental of facilities and equipment	8,515,877	-	8,515,877	0.00%	
Interest earned - external investments	8,272,587	-	8,272,587	0.00%	
Interest earned - outstanding debtors	2,951,555	-	2,951,555	0.00%	
Dividends received	-	-	-	0.00%	
Fines	2,282,993	-	2,282,993	0.00%	
Licences and permits	1,128,872	-	1,128,872	0.00%	
Income for agency services	2,338,978	-	2,338,978	0.00%	
Government grants and subsidies	28,558,034	-	28,558,034	0.00%	
Other income	20,959,328	-	20,959,328	0.00%	
Public contributions, donated/contributed PPE	-	-	-	0.00%	
Gains on disposal of property, plant and equipment	1,520,800	-	1,520,800	0.00%	
Total Revenue	268,306,849	-	268,306,849	0.00%	
EXPENDITURE					
Executive & Council	19,028,804	-	19,028,804	0.00%	
Finance & Admin	26,401,994	-	26,401,994	0.00%	
Planning & Development	3,019,919	-	3,019,919	0.00%	
Health	4,501,981	-	4,501,981	0.00%	
Community & Social Services	4,823,292	-	4,823,292	0.00%	
Housing	2,064,339	-	2,064,339	0.00%	
Public Safety	880,070	-	880,070	0.00%	
Sport & Recreation	12,442,659	-	12,442,659	0.00%	
Environmental Protection	2,288,138	-	2,288,138	0.00%	
Waste Management	22,911,716	-	22,911,716	0.00%	
Road Transport	20,047,814	-	20,047,814	0.00%	
Water	30,256,002	-	30,256,002	0.00%	
Electricity	49,288,753	-	49,288,753	0.00%	
Other	16,021,285	-	16,021,285	0.00%	
Inter-departmental charges	(9,413,246)	-	(9,413,246)	0.00%	
Total Expenditure	204,643,522	-	204,643,522	0.00%	
NET SURPLUS/(DEFICIT) FOR THE YEAR	63,663,327	-	63,663,327	0.00%	

APPENDIX E(2)

SALDANHA BAY MUNICIPALITY: ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2006

	<u>2006</u> <u>Actual</u>	<u>2006</u> <u>Under</u> <u>Construction</u>	<u>2006</u> <u>Total</u> <u>Additions</u>	<u>2006</u> <u>Budget</u>	<u>2006</u> <u>Variance</u>	<u>2006</u> <u>Variance</u>	<u>Explanation of Significant Variances</u> <u>greater than 6% versus Budget</u>
	R	R	R	R	R	%	(Explanations to be recorded)
Executive & Council	321,788	-	321,788	375,034	(53,266)	-14.20%	Budget not final GRAP format.
Finance & Admin	3,294,682	-	3,294,682	3,232,514	62,168	1.92%	Budget not final GRAP format.
Planning & Development	455,836	-	455,836	1,038,300	(582,464)	-56.10%	Budget not final GRAP format.
Health	8,310	-	8,310	-	8,310	0.00%	Budget not final GRAP format.
Community & Social Services	611,944	-	811,944	653,188	(41,254)	-6.32%	Budget not final GRAP format.
Housing	4,401,008	-	4,401,008	5,307,589	(906,581)	-17.08%	Budget not final GRAP format.
Public Safety	8,582	-	8,592	9,693	(101)	-1.04%	Budget not final GRAP format.
Sport & Recreation	3,894,050	-	3,894,050	17,863,027	(13,768,877)	-77.95%	Budget not final GRAP format.
Environmental Protection	-	-	-	-	-	0.00%	Budget not final GRAP format.
Waste Management	10,838,113	-	10,838,113	12,088,625	(1,151,512)	-9.52%	Budget not final GRAP format.
Road Transport	8,069,990	-	8,069,990	8,578,556	(1,508,567)	-15.75%	Budget not final GRAP format.
Water	9,194,043	-	8,194,043	8,718,811	(524,868)	-5.40%	Budget not final GRAP format.
Electricity	4,801,182	-	4,801,182	5,017,266	(216,084)	-4.31%	Budget not final GRAP format.
Other	12,837,350	-	12,837,350	726,080	12,111,270	1668.04%	Budget not final GRAP format.
Total	58,836,887	-	58,836,887	65,409,793	(6,573,925)	-10%	Budget not final GRAP format.

APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant and Subsidies Received

Name of Grants	Name of organ of state or municipal entity																Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		Quarterly Receipts					Quarterly Expenditure					Grants and Subsidies delayed / withheld							
		March	June	Sept	Dec	March	March	June	Sept	Dec	March	March	June	Sept	Dec	March			
MIG				134000	1540350.87	1108191.59					-2789895.74					Unknown	Unknown	Yes	N/A
CMIP						415000					-415000					None	None	Yes	N/A
SOF						2053125.32					-3707927.01					Unknown	Unknown	Yes	N/A
Environmental Health						11172483.58					-12486830.37					-1314448.8	Not yet claimed	Yes	N/A
Man Dev Prog						27189					-26545					Unknown	Unknown	Yes	N/A
FMG						0					-740997.37					Unknown	Unknown	Yes	N/A
Dept Min & En						300000					0					Unknown	Unknown	Yes	N/A
Dept Health						3817688.84					-3817688.84					None	None	Yes	N/A
Equitable Share						9184884					-5353530.97					Unknown	Unknown	Yes	N/A
		0	0	134000	1540350.87	28078582.31	0	0	0	0	-29338315.3	0	0	0	0				

APPENDIX G
SALDANHA BAY MUNICIPALITY: LEASES AS AT YEAR ENDED
30 June 2006

<u>Description</u>	<u>Reference</u>	<u>Period</u> <u>In</u> <u>months</u>	<u>Rent</u> <u>excl. VAT</u> <u>R</u>	<u>Rent date</u>	<u>Expiring date</u>	<u>Remaining</u> <u>terms</u> <u>Months</u>	<u>Liability</u> <u>outstanding</u> <u><1 year</u>	<u>Liability</u> <u>outstanding</u> <u>>1 year</u>
XEROX 420	3500866349	60	1,015	04.08.2004	04.08.2009	37	14,620	17,432
XEROX 428	3511648808	80	1,108	13.08.2004	13.08.2009	37	15,934	18,989
XEROX DC 490 ST	2231738030	60	13,969	13.12.2004	13.12.2009	41	195,141	573,486
XEROX DC 265	2230580108	80	9,319	01.05.2003	01.05.2008	22	151,321	136,437
XEROX 5828	2130093623	80	2,805	01.05.2003	01.05.2008	22	42,305	38,144
XEROX DC 535	2231635781	80	3,133	01.05.2003	01.05.2008	22	50,877	45,873
XEROX 5815	3503087560	60	886	01.05.2003	01.05.2008	22	11,135	10,040
XEROX 5815	3500217439	60	718	01.05.2003	01.05.2008	22	11,656	10,509
XEROX 5815	3500119330	80	968	01.05.2003	01.05.2008	22	15,715	14,189
XEROX 5828	2130770811	80	1,205	01.05.2003	01.05.2008	22	19,565	17,641
XEROX 5815	3500217455	60	641	01.05.2003	01.05.2008	22	10,407	9,383
XEROX M15I	3541814441	60	483	19.01.2005	19.01.2010	42	8,899	19,721
NASHUA AF 1013	H9036004882	60	560	01.09.2003	01.09.2008	26	8,808	11,329
NASHUA AF 1013	H9039004884	60	525	01.09.2003	01.09.2008	26	8,258	10,621
NASHUA AF 1013	H9039005197	80	525	01.09.2003	01.09.2008	26	8,258	10,621
NASHUA FT 4810	H2108803310	60	497	01.03.2001	01.03.2008	0	0	0
NASHUA FT 4815	H2106805789	60	497	01.03.2001	01.03.2006	0	0	0
Leica GX1230 Geodetic RTK GPS:	Asset no.00925/4	48	8,711	01.02.2005	01.02.2009	43	60,526	127,500
			R 45,181				R 651,225	R 1,071,905

APPENDIX H
SALDANHA BAY MUNICIPALITY: STATISTICAL INFORMATION AS AT YEAR ENDED
30 June 2008

	2004 / 2008	2004 / 2006	2003 / 2004	2002 / 2003
General Statistics				
Population	90,972.38	86,823	80,900	85,825
Number of registered voters	38,131.00	38,289	35,463	30,334
Area (km²)	1,787.00	1,787	1,788	1,903
Total Valuations				
- Taxable (R million)	4,322	3,888	3,830	3,888
- None Taxable (R million)	100	138	138	82
- Residential (R million)	2,660.00	2,384	2,188	2,188
- General Residential (R million)	98.00	00	38	33
- Business (R million)	278.00	285	288	288
- Industrial (R million)	332.00	364	308	308
- Transport/Sporenet/Portnet (R million)	5.00	48	48	48
- Public Works (R million)	389.00	384	384	384
- Telkom (R million)	4.00	4	4	4
- Provincial Administration (R million)	43.00	43	42	42
- Small Holdings (R million)	78.00	87	61	61
- Agriculture (R million)	178.00	185	100	100
- Other (R million)	285.00	100	385	153
Valuation Date				
	01/01/2001	01/01/2001	01/01/2001	01/01/2001
Last general valuation came into effect on 1 July 2002.				
Number of sites				
Number of sites valued	30,082	28,482	27,157	24,631
- Residential	25,289	24,028	23,979	21,733
- Public Works	253	278	278	201
- Telkom	8	4	4	5
- Provincial Administration	26	29	29	38
- Small Holdings	903	483	480	406
- Agriculture < 55 Ha		281	317	318
- Agriculture > 55 Ha	785	348	308	310
- Other	3,222	3,033	1,784	1,625
Assessment Rates				
Previously WCPTC area				
General : Land	4.2308 s/R	3.9729 s/R	3.7858 s/R	3.4044 s/R
: Buildings	1.4102 s/R	1.3243 s/R	1.2552 s/R	1.1348 s/R
Other : Tariffs lower than general with the following % :				
- : single residential	60%	60%	60%	60%
- : small holdings	60%	60%	60%	60%
- : Agriculture < 50 Ha	97.40%	60%	60%	60%
- : Agriculture > 50 Ha	97.40%	97.4%	97.4%	97.4%
- : Nature Reserves	75%	75%	75%	75%
Previously Langabea area				
General : Land	4.2306 s/R	3.3237 s/R	2.6358 s/R	2.0427 s/R
: Buildings	1.4102 s/R	1.1979 s/R	0.8788 s/R	0.6809 s/R
Previously Hopetfield area				
General : Land	4.2308 s/R	3.9729 s/R	3.7858 s/R	3.4044 s/R
: Buildings	1.4102 s/R	1.3243 s/R	1.2552 s/R	1.1348 s/R
Pensioners : Tariff lower than single residential with the following %				
- not exceeding income of R18 720 p.a.	40%	40%	40%	40%
- not exceeding income of R20 800 p.a.	30%	30%	30%	30%
- not exceeding income of R22 700 p.a.	20%	20%	20%	20%
Number of employees in service:	768	778	777	747
Cleaning statistics				
Km completed (sewerage vehicles included from 2004/05)	501,864	489,210	592,726	578,259
Refuse removed (m³)	136,912	131,061	113,445	109,220
Cost per m³ removed	83.41	114.28	108.38	87.10
Income per m³ removed	123.86	111.40	120.37	88.58
Number of removals per month	24,147	23,218	22,482	21,198
Sewerage Statistics				
Sewerage water purification (Ml)	2,900	3,052	2,710	2,237
Cost per Ml purified	2.80	3.85	3.17	3.49
Income per Ml purified	5.00	4.33	4.05	4.88
Electricity Statistics				
Units (kWh) purchased ('000)	207,848	202,168	194,975	185,185
Purchase cost : cent per kWh	20.28	17.17	17.51	14.00
Units (kWh) sold ('000)	187,288	183,780	173,618	184,080
Units (kWh) lost with distribution ('000)	20,359	18,388	21,357	21,078
Percentage loss on distribution	9.00	9.10	10.85	11.38
Cost per unit sold	0.30	0.28	0.27	0.24
Income per unit sold	0.38	0.34	0.34	0.31
Number of consumers	18,531	18,222	17,349	17,023
Water statistics				
Ml purchased ('000)	11,554	10,883	11,884	11,692
Purchase cost per Ml	R 2.238	R 1.851	R 1.780	R 1.805
Ml sold ('000)	10,975	10,084	10,420	9,761
Ml lost on distribution ('000)	578	799	1,264	1,931
Percentage loss on distribution	5	7.25	10.82	18.52
Cost per Ml sold	3.21	3.85	3.49	3.44
Income per Ml sold	5.41	5.37	4.73	3.94
Number of consumers	21,179	20,634	20,260	18,383